

**CITY COUNCIL WORK SESSION
OCTOBER 3, 2011
6:00 P.M.
NEWBERG PUBLIC SAFETY BUILDING
401 EAST THIRD STREET**

WORK SESSIONS ARE INTENDED FOR DISCUSSION. NO ACTION WILL BE TAKEN ON THE AGENDA ITEMS AND NO DECISIONS WILL BE MADE. NO ORAL OR WRITTEN TESTIMONY WILL BE HEARD OR RECEIVED FROM THE PUBLIC.

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
- III. REVIEW OF COUNCIL AGENDA AND MEETING**
- IV. COUNCIL HOUSEKEEPING ITEMS**

Presentation from Code Enforcement Officer Cody Gardner on Defaults and Foreclosures.

- V. ADJOURNMENT**

ACCOMMODATION OF PHYSICAL IMPAIRMENTS:

In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical accommodations you may need as far in advance of the meeting as possible and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the city recorder, at (503) 537-1283. For TTY service please call (503) 554-7793.

● City Manager's Office: e-mail: dan.danicic@newbergoregon.gov Fax: 537-5013 ●
Admin: 537-1261 ● Building: 537-1240 ● Public Works: 537-1273 ● Finance: 538-9421 ● Fire: 537-1230
Library: 538-7323 ● Municipal Court: 537-1203 ● Police: 538-8321 ● Maintenance: 537-1234 ● Utilities: 537-1205
Municipal Court Fax: 538-5393 ● Public Works Fax: 537-1277 ● Library Fax: 538-9720

"Working Together For A Better Community-Serious About Service"

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interoffice

MEMORANDUM

to: City Recorder Norma Alley; Mayor and City Council

cc: Terrence D. Mahr, City Attorney; Daniel Danicic, City Manager

from: Cody Gardner, Code Enforcement Officer

re: Code Enforcement Presentation on Defaults and Foreclosures

date: September 15, 2011

Terry and I will be giving a PowerPoint presentation to the City Council at the October 3, 2011, work session. Attached is the presentation material for submission.

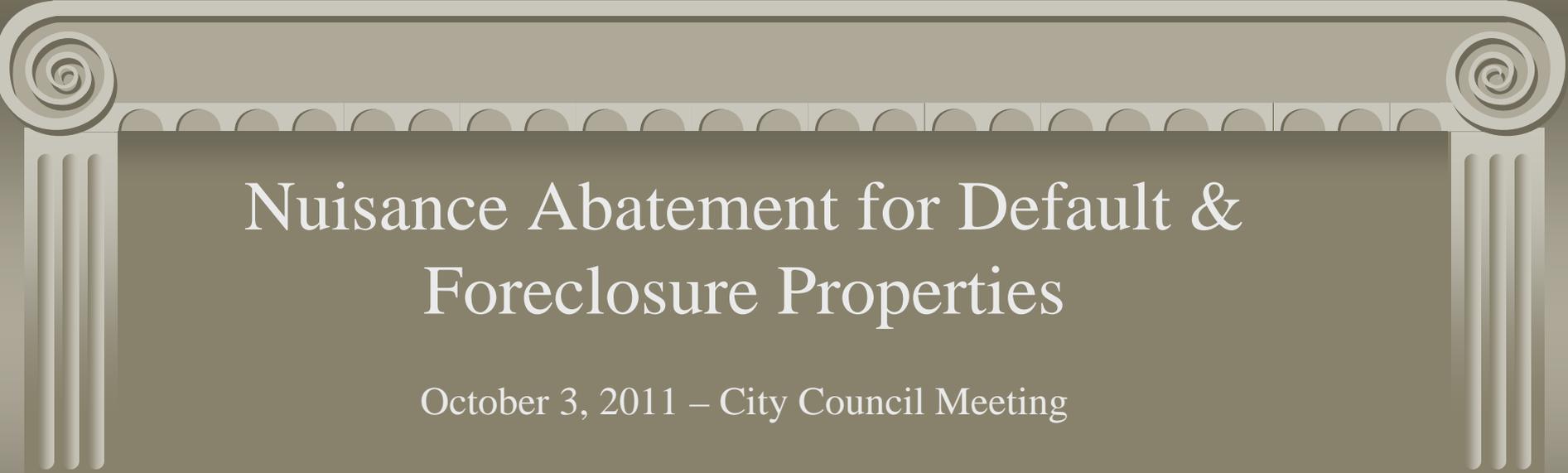
from the desk of...

Cody Gardner

Code Enforcement Officer
City of Newberg
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Newberg, OR 97132
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503-554-7709
Fax: 503-537-5013

Code Enforcement

by Cody Gardner



Nuisance Abatement for Default & Foreclosure Properties

October 3, 2011 – City Council Meeting

Presentation Overview

- ◆ Foreclosure Crisis
- ◆ Defaults v. Foreclosures
- ◆ Nuisance Abatement
- ◆ Future Abatement
- ◆ Conclusion

Foreclosure Crisis

- ◆ 1.4 million foreclosures nationwide
- ◆ The average period for a homeowner to lose their home in the foreclosure process rose 75% since 2008
 - ◆ Legal challenges
 - ◆ Government pressure to work with borrowers
 - ◆ Sheer volume of problem mortgage
- ◆ On average it takes 341 days for the bank to foreclose and repossess property in Oregon
- ◆ An estimated 150 residential default/foreclosure properties in Newberg

Defaults v. Foreclosures

◆ DEFAULT: Owner Occupied/Default Property

- ◆ Bank begins foreclosure process in the event that homeowner does not make a mortgage payment after 45 days
- ◆ Borrower continues to be the legal property owner until bank finalizes the foreclosure process
- ◆ Code Enforcement works with occupant to remedy violations

◆ FORECLOSURE: REO (Real Estate Owned)

- ◆ Bank owns property
- ◆ Property is usually violation-free
 - ◆ If violations do exist, bank representatives are readily available to resolve issues and/or concerns

Defaults v. Foreclosures (Cont.)

❖ Vacant/Abandoned Default Property

- ❖ Bank begins foreclosure process and the property owner vacates and/or abandons the property
 - ❖ Property owner vandalizes property
 - ❖ Garbage, junk, rubbish, animals, cars, etc.
 - ❖ Obnoxious vegetation

Defaults v. Foreclosures (Cont.)

- ◆ VACANT/ABANDONED (DEFAULT) Properties are the Problem!
 - ◆ Contacting legal owner is difficult
 - ◆ Persistent code violations (re-occurring)
 - ◆ Achieving compliance is difficult, lengthy and expensive
 - ◆ Property can remain vacant for years

Nuisance Abatement

- ◆ Resolving violations: Two Avenues per Code
 - ◆ Citations = \$59, 780 (Collected \$3,654.51)
 - ◆ Hiring out the work; placing liens against the property
 - ◆ \$200 for grass clean up (expensive)
 - ◆ City may not recoup cost of clean-up
 - ◆ Coordinating with volunteer groups

Nuisance Abatement (Cont.)

- ◆ Resolving violations:
 - ◆ Mortgage servicing company's
 - ◆ Computer Registry Systems
 - NAMFS (National Association of Mortgage Field Services)
 - Mers Link
 - Chain mail
 - ◆ Writ of Execution (force the sale of the property)
 - ◆ Property preservation with new owner
 - ◆ Collect unpaid citations

915 E 13th St



915 E Thirteenth St



111 E 9th ST



111 E 9th St



412 Dayton AVE



412 Dayton AVE



902 S Chehalem St



902 S Chehalem St



904 S River St



904 S River St



904 S River St



1802 N College St



1802 N College St



1802 N College St



3101 Middlebrook Dr



3101 Middlebrook Dr



3101 Middlebrook Dr



3101 Middlebrook Dr



215 E Sherman St



215 E Sherman St



215 E Sherman St



215 E Sherman St



215 E Sherman St



215 E Sherman St



215 E Sherman St



Future Abatement

- ◆ Working to find innovative legal avenues
- ◆ Continue to work with volunteer groups to resolve issues in the community
- ◆ Grinding the axe
- ◆ Working with Oregon Code Enforcement Association to form a legislative committee
 - ◆ Committee will work to propose legislation to fight blight created by default/foreclosed properties

Conclusion

- ◆ Three types of property in default/foreclosure:
 - ◆ Bank Owned
 - ◆ Default Occupied
 - ◆ Default Vacant

- ◆ 99% of the time, default vacant properties are the problem
 - ◆ These properties can be vacant for years
 - ◆ Legal owner has left city, state or country
 - ◆ Contacting the legal owner is difficult/impossible

- ◆ Abate nuisances using all resources available

- ◆ Grind the axe, stay connected, innovate!